



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**EXERCISE OF FIVE-YEAR OPTION TO RENEW AND AMENDMENT NO. 2 TO
LEASE NO. 19104, WEST COVINA CIVIC CENTER PARKING FACILITIES FOR
SUPERIOR COURT AND VARIOUS COUNTY DEPARTMENTS
501 SOUTH SUNSET AVENUE, WEST COVINA
(FIFTH) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached Amendment No. 2 to Lease No. 19104 exercising the second five-year option with the City of West Covina (City) for 436 off-street parking spaces for the West Covina Superior Court and various County departments located on property in the West Covina Civic Center at 501 South Sunset Avenue, West Covina, at an annual rental rate of \$65,790.
2. Find that this amendment is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO), the Superior Court, and the Public Library to implement the project. The lease amendment will be effective upon approval by your Board.

PURPOSE AND JUSTIFICATION OF RECOMMENDED ACTION

The recommended action will exercise the second five-year renewal option and amend the lease to decrease the number of parking spaces from 561 to 436 for the Superior Court, Library, District Attorney, Department of Health Services, Military and Veterans Affairs, Probation, Public Defender, and Sheriff's Department. Included in the 436 spaces is available parking for Superior Court jurors and Library patrons.

In 1972 the County participated in the cost of constructing the subject parking facility through a Joint Powers Agreement. The construction costs were fully amortized over the initial 25-year term, and the County was granted five, five-year options to renew on the condition that during each of the renewal periods the rental rate would be determined by the base rent plus the City's cost of maintenance. The recommended action herein will exercise the second of the five, five-year renewal options. Additionally, based on parking percentage guidelines, it was determined that the number of parking spaces required by the County is 436 spaces. The City has agreed to amend the lease, reducing the number of parking spaces from 561 to 436 in order to conform to the County's current parking requirements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with easy access to quality services that are both beneficial and responsive (Goal 1, Strategy 1). In this case, we are fulfilling the parking needs for the County programs housed at the West Covina Civic Center in the most economical and efficient manner, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The cost of the lease will be \$328,950 for five years. The rent is 100 percent net County cost. The following chart delineates key lease terms.

Civic Center Parking 501 South Sunset Avenue West Covina	Existing Lease	Proposed Lease Amendment No. 2	Change
Number of Parking Spaces	561	436	Decrease of 125 spaces
Term	6/1/98 to 5/31/03 month-to-month holdover effective 6/1/03	10/7/03 to 10/6/08 Commencement upon Board approval	+5 years
Annual Base Rent	\$ 3,690	\$ 3,690	-0-
Annual Operating Expense Rent	\$31,254 (Includes annual payment of \$15,000 for seismic retrofit cost amortized over the lease term).	\$62,100	+\$30,846
*Total Annual Rent Cost	\$34,944	\$65,790	+\$30,846
Cancellation	None	None	None
Option to Renew	Four 5-year options	Three 5-year options	Exercised 2 nd 5-year option

* Parking is located in three areas identified as A & B (surface) and C (3-story covered structure) for a total of 436 parking spaces. Associated costs per parking space are as follows: A=100 spaces @ \$2.30/space per month (\$27.60/space per year); B=106 spaces @ \$2.30/space per month (\$27.60/space per year); C=230 spaces @ \$20.44/space per month (\$245.28/space per year). Average cost per space including the base rent = \$12.57/space per month or \$150.84/space per year.

Sufficient funding for the proposed lease amendment is included in the 2003-04 Rent Expense Budget and will be charged back to the user department operating budgets based on their usage, except for Superior Court rental costs which remain in the Rent Expense Budget as a net County cost. Sufficient appropriation has also been included in the 2003-04 budget for each of the user departments to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County has leased the premises from the City of West Covina since 1972 through a Joint Powers Agreement. The term of the lease expired on May 31, 2003. However, the County continues its occupancy pursuant to the Holdover Provision of the subject lease with concurrence from the City. Amendment No. 2 will allow for the exercise of the renewal option upon approval by your Board. Due to a substantial increase in operating costs, the City has requested that the County pay for its share of the expenses. Faced with the substantial increase in cost per space requested by the City, a comprehensive use review of the parking requirements was conducted by the CAO. Based on the review, the County was able to reduce the number of spaces from 561 to 436 to meet the actual parking requirements for this location. Despite the substantial increase requested by the City, the new rate averaging \$12.57 per space is below the market rate for the area.

CAO Real Estate staff surveyed a five-mile radius within the service area to determine the market rental range for similar parking accommodations. Based upon said survey, staff has determined that the market rental ranges between \$30 and \$50 per parking space per month. Attachment B shows all County-owned and leased facilities within the search area for this program. There are no County-owned or leased facilities available for this program.

There is no cancellation provision in the original lease or during the renewal periods and since the structure serves several County departments housed in County-owned facilities within the Civic Center, the need for parking is expected to continue.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

The Honorable Board of Supervisors
October 7, 2003
Page 5

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that exercising the second option to renew, as amended, is in the best interest of the County. In accordance with your Board's policy on the housing of any County offices or activities, the Superior Court concurs in this lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed Lease Amendment, two certified copies of the Minute Order and the adopted, stamped Board letter to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, California, 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:MMW:hd

Attachments (4)

c: County Counsel
Auditor-Controller
Superior Court
Public Library

501SouthSunsetAve.b

WEST COVINA CIVIC CENTER PARKING FACILITIES
501 SOUTH SUNSET AVENUE, WEST COVINA
 Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
	A Does lease consolidate administrative functions? ²			X
	B Does lease co-locate with other functions to better serve clients? ²			X
	C Does this lease centralize business support functions? ²			X
	D Does this lease meet the guideline of 200 sf of space per person? ² The lease meets the 80% parking guideline established by the CAO.			X
2.	<u>Capital</u>			
	A Should program be in leased space to maximize State/Federal funding?		X	
	B If not, is this a long term County program?	X		
	C Is it a net County cost (NCC) program? 100%	X		
	D If yes to 2 B or C; capital lease or operating lease with an option?		X	
	E If no, are there any <i>suitable</i> County-owned facilities available?		X	
	F If yes, why is lease being recommended over occupancy in County- owned space?			X
	G Is Building Description Report attached as Attachment B?	X		
	H Was build-to-suit or capital project considered? The parking structure was constructed pursuant to a joint powers agreement.		X	
3.	Portfolio Management			
	A Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B Was the space need justified?	X		
	C If a renewal lease, was co-location with other County departments considered?	X		
	D Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. <u>X</u> The Program is being co-located.			
	E Is lease a full service lease? County pays City for its share of maintenance costs.		X	
	F Has growth projection been considered in space request?	X		
	G Has the Dept. of Public Works completed seismic review/approval? Parking structure was retrofitted to meet seismic requirements in 1998.		X	

¹As approved by the Board of Supervisors 11/17/98

²If not, why not?

Attachment B

**501 SOUTH SUNSET AVENUE
WEST COVINA**

LACO	FACILITY NAME	ADDRESS		ENCLOS ED PKG. SQ. FT.	PAVED PRK. SQ. FT.	PRK. SPACES TOTAL	AVAIL PRK. SQ. FT.
A527	HEALTH-ENVIRONMENTAL HEALTH HEADQUARTERS	5050 COMMERCE DR , BALDWIN PARK 91706	LEASED	0	108500	310	NONE
5497	PUBLIC LIBRARY-BALDWIN PARK LIBRARY	4181 BALDWIN PARK BLVD, BALDWIN PARK 91706	OWNED	0	10150	29	NONE
Y423	PW OPSV-TRAFFIC SIGNAL/SIGN PAINTING OFFICE	14514 E CENTRAL AVE, BALDWIN PARK 91706	OWNED	0	NO DATA	NO DATA	NONE
0081	PW ROAD-MAINT DIST 1 OFFICE	14747 E RAMONA BLVD, BALDWIN PARK 91706	OWNED	0	NO DATA	NO DATA	NONE
4148	ANIMAL CONTROL #4-ADMINISTRATION BUILDING	4275 N ELTON AVE, BALDWIN PARK 91706	OWNED	0	5250	15	NONE
4177	DHS-EAST AREA ENVIRONMENTAL HEALTH PROGRAMS	1435 WEST COVINA PKWY, WEST COVINA 91790	OWNED	0	0	NO DATA	NONE
L591	PARKING LOT (PUBLIC LIBRARY-WEST COVINA REG)	1601 WEST COVINA PKWY, WEST COVINA 91790	LEASED	0	35000	100	NONE
4982	PUBLIC LIBRARY-WEST COVINA REGIONAL LIBRARY	1601 WEST COVINA PKWY, WEST COVINA 91790	OWNED	0	14700	42	NONE
X257	WEST COVINA COURTHOUSE	1427 WEST COVINA PKWY, WEST COVINA 91790	OWNED	0	23100	63	NONE
L592	PARKING LOT (WEST COVINA COURT/PUBLIC HEALTH)	1444 W GARVEY AVE BEHIND CITY HALL, W. COVINA	LEASED	0	37100	106	NONE
E322	PARKING STRUCT (WEST COVINA COURT/PUB HEALTH)	501 S SUNSET AVE , WEST COVINA 91790	LEASED	164031	0	355	NONE
A478	SHERIFF-NORTH REG SURVEILLANCE & APPREHENSION	2239 E GARVEY AVE N., WEST COVINA 91791	LEASED	0	5600	16	NONE
Y249	PUBLIC LIBRARY-SUNKIST LIBRARY	840 N PUENTE AVE, LA PUENTE 91746	OWNED	0	13300	38	NONE
0080	PW ROAD-DIV #416 MAINTENANCE YARD OFFICE	14959 E PROCTOR AVE, CITY OF INDUSTRY 91746	OWNED	0	0	NO DATA	NONE

**SECOND RENEWAL AND
AMENDMENT NO. 2 OF
LEASE AND AGREEMENT NO. 19104 FOR
OFF-STREET PARKING FACILITIES
WEST COVINA CIVIC CENTER SITE**

WHEREAS, on January 4, 1972 the City Of West Covina, as Lessor, and the County of Los Angeles, as Lessee, have entered into that certain twenty-five year Lease and Agreement (known as the "Lease") No. 19104 for Off-Street Parking Facilities, West Covina Civic Center Site, hereinafter referred to as the "Lease", and

WHEREAS, the subject lease contains a provision that allows Lessee five renewal options for five-year term each, and

WHEREAS, pursuant to amendment number 1, the City has reduced the number of parking spaces available by 35 parking spaces (leaving a total of 561), and

WHEREAS, in exchange for said reduction, and in recognition of the intention of the parties as demonstrated in Paragraph 27 of the Lease, the base rent of \$ 500.00 should be reduced by \$5.50 for every parking space not available to Lessee, and

WHEREAS, the Lessee is now desirous to exercise the second of its five-year options, and

WHEREAS, the Lessee has voluntarily reduced the number of spaces by an additional 125 parking spaces (leaving a total of 436), and

NOW THEREFORE, in consideration of the above-recitals, which shall become an integral part of the agreement between the parties, the parties herein agree as follows:

1. **EXERCISE OF THE SECOND OPTION:** Pursuant to Paragraph 26 of the Lease, the Lessee hereby exercises the second of its five five-year options commencing upon approval by the County of Los Angeles Board of Supervisors.

2. **RENT:** Paragraph 3 of the Lease shall be amended to read as follows:

Lessee shall pay as monthly rent during this five-year option period the amount of Three Hundred Seven and 50/100 Dollars (\$307.50).

Additionally Lessee shall pay the operating expenses to be \$20.44/space/month for 230 parking spaces in the parking structure located as Area "C" as described on Exhibit "A" (\$4,701.20), and \$2.30/space/month for 206 parking spaces in surface parking lots located as Area "A" & "B" on Exhibit "A" (\$473.80), totaling Five Thousand One Hundred Seventy-Five Dollars and No/100 (\$5,175.00) monthly during this five-year option period as provided for in the Lease.

The total rental payment owing per month for the five year period shall be Five Thousand Four Hundred Eighty-Two and 50/100 Dollars (\$5,482.50).

3. **INSURANCE:**

A. During the term of Lessee's occupancy, Lessor shall keep the buildings and improvements on the demised premises insured, or self-insured, against loss or damage by fire, lightning, vandalism, malicious mischief, and such perils ordinarily defined as "extended coverage" in an amount not less than the full insurable replacement value of said buildings and improvements. The full insurable replacement value shall be reviewed by the insurer at least every year to assure sufficient coverage.

B. During the term of this Lease, Lessor shall also at all times maintain in force a policy of comprehensive public liability insurance, or self-insurance, insuring against injury to persons and damage to property. This policy shall have a combined single limit coverage of not less than Five Million and No/100 Dollars

(\$5,000,000.00) per occurrence, or Lessor may self-insure. The policy coverage shall be reviewed by the insurer at least every year to assure sufficient coverage.

C. Lessor shall cause Lessee to be named as an additional insured on each of the policies described above and each such policy shall require written notice to Lessee at least thirty (30) days prior to the expiration or other termination of the coverage. Lessor shall at all times be responsible for providing Lessee with evidence that such coverages are in effect and have not been terminated. In the event that Lessor causes or permits the insurance policy or policies to lapse or otherwise terminate, Lessee shall have the option to obtain the policy and deduct the premiums therefor from the rental payments next due or to self-insure, or Lessee at its sole discretion may surrender the Premises effective as of the date specified in the written notice of such surrender and Lessee shall not be liable for any further rental under the Second Renewal and Amendment No. 2 of Lease and Agreement.

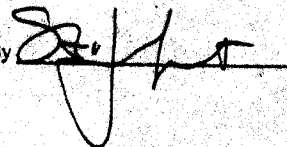
D. Lessor agrees to indemnify, defend and save harmless Lessee, its agents, officers and employees from and against any and all liability, expenses (including defense costs and legal fees), and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with Lessor's negligent use, maintenance or ownership of the Premises.

Lessee shall indemnify and hold Lessor, its agents, officers and employees free and harmless from any and all liability, claims, loss, damages or expenses (including defense costs and legal fees), arising by reason of bodily injury, death, personal injury, or property damage resulting from Lessee's activities on the Premises.

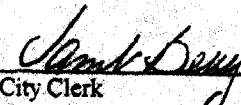
4.
 - A. The City reserves the right to charge fees for all other spaces not leased by the County.
 - B. If the City chooses to charge fees for spaces other than those leased by the County, the City reserves the right to designate which spaces in Area B (106) and which spaces on the top (upper) level of Area C (109) are leased by the County. The County is leasing 230 spaces in Area C; 109 spaces on the top level, 121 spaces on the middle level, and no spaces on the lower level. Any modification to the ingress and egress and/or limiting access to the public that affect County leased spaces shall be coordinated between the parties.
 - C. The County would remain responsible for marking, reserving, issuing parking permits and/or otherwise posting any necessary restrictions on County leased spaces.
5. All other terms and conditions of the Lease shall remain the same.

IN WITNESS THEREOF, the lessor has executed this Amendment No. 2 to Lease Agreement No. 19104, or caused it to be duly executed, and the Lessee by order of its Board of Supervisors has caused this amendment to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk there this _____ day of _____, 2003.

LESSOR
CITY OF WEST COVINA
A municipal corporation

By 

ATTEST:



City Clerk

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
Of the Board of Supervisors

LESSEE
COUNTY OF LOS ANGELES

By: _____
Deputy

By: _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

LLYOD W. PELLMAN
County Counsel

By: 
Deputy: Francis E. Scott

LOS ANGELES COUNTY -
WEST COVINA
CIVIC CENTER SITE
The demised premises are those
areas marked as Area "A",
Area "B" and Area "C".

